

Message Text

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17

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FPC-01 H-03 INR-10 INT-08

L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 FEA-02 XMB-07 ARA-16 DRC-01

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R 090645Z JUL 74

FM AMCONSUL MILAN

TO AMEMBASSY BUENOS AIRES

INFO SECSTATE WASHDC 3648

AMEMBASSY ROME

UNCLAS MILAN 0975

E.O. 11652: N/A

TAGS: EIND AR

SUBJECT: MONTEDISON INVESTMENTS

REF: BUENOS AIRES 4232

1. TIZIANO BATTAGLIA, MONTEDISON COORDINATOR FOR CENTRAL AND SOUTH AMERICA, CONFIRMS SUBSTANCE REFTTEL. MONTEDISON HAS TWO AGREEMENTS WITH GOA: UMBRELLA CONTRACT TO ACT AS CONSULTANT TO GOVERNMENT IN DEVELOPMENT OF PETROCHEMICAL SECTOR. THIS INCLUDES, INTER ALIA, FERTILIZER PLANT. SECOND AGREEMENT IS AS 49 0/0 INVESTOR IN BAHIA BLANCE COMPANY EXPANDED TO INCLUDE SATELLITE PLANTS. BATTAGLIA STATES EQUITY CAPITAL CLOSER TO \$120 THAN \$100 MILLION BUT CONFIRMS MONTEDISON WILL BE RESPONSIBLE FOR APPROX \$50 MILLION. HE SAID THAT PLANS INDICATE TOTAL FINANCING WILL RUN APPROX THREE TIMES EQUITY CAPITAL. AS NOTED BELOW, MONTEDISON'S COMMITMENTS WOULD NOT APPEAR RULE OUT OTHER FIRMS PICKING UP PIECE OF ACTION.

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2. BATTAGLIA STATED MONTEDISON HAS NO DESIRE MONOPOLIZE
SATELLITE PLANTS AND WOULD WELCOME PARTICIPATION OTHER
FIRMS IN CONSTRUCTION AND OPERATION OF PLANTS ON EXACTLY
SAME BASIS AS MONTEDISON. HE SPECIFICALLY SAID US FIRMS
AND EXPORT FINANCING ACCEPTABLE. MAIN GOAL OF ENLARGED
PBB IS NOT INTENDED PRECLUDE PRIVATE PARTICIPATION BUT
OBTAIN GREATER EFFICIENCY THROUGH CENTRALIZED MANAGEMENT
PROCEDURES. FINA

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Message Attributes

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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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To: BUENOS AIRES
Type: TE
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